

Calendar No. 183

98TH CONGRESS }
1st Session

SENATE

{ REPORT
No. 98-121

CANCELING CERTAIN INDEBTEDNESS IN CONNECTION WITH DISASTER RELIEF ACTIVITIES

MAY 16, 1983.—Ordered to be printed

Mr. HUMPHREY, from the Committee on Environment and Public Works, submitted the following

REPORT

[To accompany S. 379]

The Committee on Environment and Public Works, to which was referred the bill (S. 379) to cancel certain indebtedness in connection with disaster relief activities having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

BACKGROUND AND PURPOSE OF LEGISLATION

As a result of the East Flood of 1979, parts of the State of Mississippi, including Jackson, were declared major disaster areas by the President of the United States. Subsequently, the Jackson Junior Achievement, the Jackson Symphony Orchestra and the Mississippi Museum of Art contacted the Federal Emergency Management Agency (FEMA) to inquire if they might qualify for Federal disaster assistance under the President's disaster declaration to repair damage incurred during the flood. They were told by local officials of FEMA that they, in fact, were eligible and that they should begin repair work on a reimbursable basis.

The repair work was done and these three organizations were reimbursed for the cost of having done the work.

Later, after reviewing the expenditures, FEMA officials determined that these organizations had not been eligible for Federal assistance and should not have been reimbursed for their expenditures. FEMA is demanding repayment of \$105,000 from the Jackson, Mississippi, Junior Achievement; \$25,000 from the Mississippi Museum of Art; and \$3,500 from the Jackson, Mississippi, Symphony Orchestra, plus accumulated interest of 11.98 percent from each.

The legislation would relieve the three organizations of any liability for repayment of payments erroneously made to them, plus any accrued interest, by the United States for disaster relief activities following the major disaster which was declared in Mississippi in April, 1979.

Forgiveness of indebtedness in these cases is based upon a previous Government commitment and promise. It is an issue of fairness. It should not be interpreted as a precedent to make Federal disaster assistance available in future disasters to organizations which are not otherwise eligible under the Disaster Relief Act of 1974.

ROLLCALL VOTES

Section 7(b) of Rule XXVI of the Standing Rules of the Senate and the rules of the Committee on Environment and Public Works require that any rollcall votes be noted in this report. There were no rollcall votes taken during committee consideration of this measure. The bill was approved by voice vote.

COST OF THE LEGISLATION

Section 403 of the Congressional Budget and Impoundment Control Act requires that an estimate of the cost of the bill as reported be prepared by the Congressional Budget Office. That estimate follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., May 11, 1983.

HON. ROBERT T. STAFFORD,
Chairman, Committee on Environment and Public Works, U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed S. 379, a bill to cancel certain indebtedness in connection with disaster relief activities, as ordered reported by the Senate Committee on Environment and Public Works, May 10, 1983.

Enactment of the bill would require the Federal Emergency Management Agency (FEMA) to forgive the repayment of funds that the agency has determined it distributed in error to three nonprofit organizations in the aftermath of the 1979 flood in Jackson, Mississippi. Subsequently, FEMA determined that they were not eligible for the assistance and has demanded payment. The forgiveness would encompass the original payments totaling \$134,000, plus accrued interest estimated to total about \$16,000 by October, 1983.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

ALICE M. RIVLIN,
Director.

CHANGES IN EXISTING LAW

Section 12 of rule XXVI of the Standing Rules of the Senate requires publication of any changes made to existing law by the reported bill. This bill does not make any changes to existing law.